

## Message Text

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41

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 FEA-01 AGR-10 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15

STR-04 TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

/117 W

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R 241255Z JUL 75

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 1234

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY DUBLIN

USDEL MTN GENEVA

AMEMBASSY LONDON

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

UNCLAS COPENHAGEN 2087

E.O. 11652: N/A

TAGS: ETRD, EEC, GATT, DA

SUBJECT: EC COMMISSIONER GUNDELACH ON COUNTERVAILING  
DUTIES

1. SUMMARY: DANISH EC COMMISSIONER GUNDELACK IN  
STATEMENT TO DAILY FINANCIAL BORSEN JULY 24 EMPHASIZED  
THAT THE EC COMMISSION DID NOT ACCEPT THE U.S. TRADE  
ACT COUNTERVAILING DUTY PROVISIONS BUT MERELY HAD  
ACQUIESCED WITH THEIR EXISTENCE PENDING NEGOTIATIONS  
OF THESE PROBLEMS IN GATT. END SUMMARY

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2. IN A LETTER TO THE COPENHAGEN DAILY FINANCIAL BORSER JULY 24, EC COMMISSIONER FINN GUNDELACH COMMENTED UPON THE EC COMMISSION'S ATTITUDE TO COUNTERVAILING DUTIES, REFERRING TO RECENT EC LIMITATIONS ON CHEESE RESTITUTION PAYMENTS TO FEND OFF WIDER U.S. MEASURES AND TO INDICATIONS THAT DANISH HAMS MIGHT BE NEXT COMMODITY TO BECOME AFFECTED. THE OCCASION OF GUNDELACH'S LETTER WAS AN EDITORIAL IN BORSER EARLIER THIS MONTH WHICH REFERED TO THE EC'S "MISERABLE DEFEAT IN THE CHEESE WAR" AND URGED THE EC TO DEMONSTRATE GREATER WILLINGNESS TO NEGOTIATE AGRICULTURAL POLICY IN GATT. THE PAPER ALSO APPEALED TO THE U.S. TO HELP SUCH NEGOTIATIONS ALONG BY POSTPOING, AS PERMITTED BY THE TRADE ACT, DECISION ON THE HAM CASE WITH REFERENCE TO PROSPECTS OF POSITIVE INTERNATIONAL NEGOTIATIONS.

3. GUNDELACH IN RESPONSE EMPHASIZED THAT THE EC COMMISSION DID NOT ACCEPT THE AMERICAN COUNTERVAILING DUTY LEGISLATION IN ITS PRESENT FORM AND MAINTAINED THAT IT WOULD BE GATTIBLE ONLY IF APPLIED ON THE BASIS OF THE ACTUAL DAMAGE PRINCIPLE. GUNDELACH FELT THAT THE U.S. PROVISION WENT BEYOND THAT AND INDICATED THE COMMISSION'S INTENT TO SEEK SETTLEMENT OF THIS PROBLEM "IN A BROADER CONTEXT" DURING GATT NEGOTIATIONS.

4. GUNDELACH DEFENDED THE COMMISSION'S NEGOTIATING THE CHEESE ISSUE WHICH, HE SAID, HAD LIMITED THE DAMAGES TO EXPORTERS. THAT THE COMMISSION HAD ACQUIESCED WITH THE ACTUAL EXISTENCE OF THE U.S. COUNTERVAILING DUTY RULES DID NOT MEAN, HOWEVER, ACCEPTANCE IN PRINCIPLE OF THESE RULES. THE COMMISSION AGREED THAT THIS WAS A GATT PROBLEM AND WOULD ACT ACCORDINGLY.  
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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
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**Disposition Remarks:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Subject:** EC COMMISSIONER GUNDELACH ON COUNTERVAILING DUTIES  
**TAGS:** ETRD, DA, US, EEC, GATT, (GUNDELACH)  
**To:** STATE  
**Type:** TE  
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